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Implementation of the outcome of the World Summit for Social Development and of the twenty-fourth special session of the General Assembly

Report of the Secretary-General

Summary

The present report is submitted in accordance with General Assembly resolution 71/162. The report highlights discussions of the fifty-fifth session of the Commission for Social Development. It underscores the need to address inequality to eradicate poverty and achieve the goals of the World Summit for Social Development and the 2030 Agenda for Sustainable Development, focusing on trends in inequality within and among countries. It also addresses the special needs of Africa and the least developed countries and presents progress made in the implementation of programmes related to social groups. The report concludes with a set of recommendations for consideration by the General Assembly.

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I. Introduction

1. In its resolution 71/162, the General Assembly requested the Secretary-General to submit a report on the implementation of the outcome of the World Summit for Social Development and of the twenty-fourth special session of the General Assembly, with a special focus on trends in inequality within and among countries. Accordingly, the present report provides an overview of trends in inequality and examines strategies to address inequality to ensure the eradication of poverty for all in assessing progress made in eradicating poverty within the context of the 2030 Agenda for Sustainable Development. It also addresses the special needs of Africa and the least developed countries, and reviews progress made in the implementation of programmes related to social groups. It highlights the situation of young people, older persons, persons with disabilities, families and indigenous peoples and concludes with recommendations for consideration by the General Assembly.

II. Addressing inequality to implement the objectives of the World Summit for Social Development and the 2030 Agenda

A. The need to combat rising inequality in all its dimensions

2. There is growing consensus that high and rising inequality poses a major challenge to further progress in eradicating poverty. Upon adoption of the 2030 Agenda for Sustainable Development, Member States committed to reduce inequality and affirmed a vision of a shared future and of societies that are inclusive, just and equitable, and that offer equal opportunities for all.[1] By doing so, the 2030 Agenda mainstreamed inequality into all goals as a cross-cutting issue to ensure that no one is left behind.

3. To end poverty in all its forms and promote shared prosperity, sustained economic growth is necessary. It must be inclusive, however, for its gains to be equitably distributed to maximize the impact on poverty. Appropriate policy interventions are needed, as gains from growth have not trickled down to the poorest segment of the population.

4. High levels of inequality negatively affect growth and its sustainability through multiple channels. Inequality deprives lower-income households of the ability to stay healthy and accumulate physical and human capital, thereby lowering labour productivity and social mobility.[2] When a large segment of the population remains excluded from the development process, trapped in low-skill, low-wage and low-productivity jobs, or their income stagnates or declines, consumption and aggregate demand are reduced and economic growth slows. This further exacerbates existing inequalities. Increasing concentrations of wealth can also weaken democracy, increase social tensions and undermine social stability, peace and security. Reducing inequality within and among countries is therefore an imperative to achieve social and economic development and enhance social cohesion, political stability and peace.

5. Income inequality is one of many dimensions of inequality. Inequality in opportunities and access to quality education and health care, food and nutrition, safe drinking water and sanitation, housing, productive assets such as land and

[1] General Assembly resolution 70/1, paras. 3 and 8.

[2] Organization for Economic Cooperation and Development (OECD), *In It Together: Why Less Inequality Benefits All* (Paris, OECD Publishing, 2015).

credit, labour markets and technology, including information and communications technologies, have been identified as major impediments to sustainable development. Inequality in access and opportunities across different dimensions reinforce each other and create a vicious cycle of poverty and inequality that is also transmitted through generations.

6. Members of some social groups are more vulnerable to poverty and inequality, as they often experience discrimination and exclusion. For example, the disparity in income and access to quality education and health care between indigenous people and the general population is large and has generally grown over time. Persons with disabilities continue to experience higher risks of falling into extreme poverty. Similarly, women and girls often experience greater disadvantages than men belonging to the same social group.[3]

7. The negative effects of climate change and environmental disasters also have differential impacts, with vulnerable groups, poor and rural communities, and low-income countries being disproportionately exposed to floods, droughts and other natural disasters. They also have a lower capacity and assets to recover from such external shocks. Climate change may also cause high and volatile food and commodity prices, hitting poor households and countries hardest.

8. In sum, addressing inequality is a must to achieve sustainable development in the social, economic and environmental dimensions. With the right mix of policies and strategies and more integrated, coherent and coordinated actions, inequality can be reduced, as demonstrated by some countries.

B. Trends in inequality

1. Inequality among countries

9. Global income inequality began to fall in the 1990s, mainly as a result of significant progress in reducing poverty and an increase in average incomes across regions, particularly in East and South-East Asia. The global Gini coefficient index fell from approximately 69.7 in 1988 to 66.8 in 2008, and to 62.5 in 2013,[4] a level that is still significantly high. Thus, further reducing income inequality between countries remains a challenge. The current rate of reduction in global income inequality is expected to halt, owing to stagnant or slow growth across regions and high population growth in countries with a high incidence of poverty where wide inequality and patterns of growth that are not sufficiently inclusive coexist.

10. Another concern is extreme inequality in wealth, as wealth is much more concentrated in the top tiers. In fact, just eight individuals own the same wealth as the poorest half of the world.[5] Since 2015, global wealth has risen by $3.5 trillion, reaching $256 trillion in 2016, and the richest 1 per cent has owned more wealth than the rest of the world since 2015. While the share of the top 10 per cent in world wealth declined between 2000 and 2009, it began rising after the global financial crisis and is estimated to have reached 89.1 in 2016. The bottom 73.2 per cent (3.5 billion), of which 70 per cent live in Africa and South Asia, held merely 2.4 per cent of total global wealth in 2016.[6]

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[3] *Report on the World Social Situation 2013: Inequality Matters* (United Nations publication, Sales No. 13.IV.2).

[4] World Bank Group, *Poverty and Shared Prosperity 2016: Taking on Inequality* (Washington, D.C., International Bank for Reconstruction and Development and World Bank, 2016).

[5] Oxfam, "An economy for the 99%", briefing paper (January 2017).

[6] Credit Suisse, *Global Wealth Databook 2016*.

11. Despite progress in narrowing the gap between rich and poor countries, significant health inequities remain across countries and regions. During 2010-2015, a child born in Swaziland could expect to live 55 years, while one born in Japan could live up to 83 years. On average, individuals in high-income countries live 80 years, whereas those in low-income countries live only 61 years. Similarly, the range of the mortality rate for children under 5 years of age is very large, from 150 deaths per 1,000 live births in the Central African Republic to 4 per 1,000 in Luxembourg.[7] Regional disparities in percentages of undernourished people (795 million in 2015) are also wide, with South Asia and sub-Saharan Africa holding the largest share (35.4 per cent and 27.7 per cent, respectively, in 2014-2016) and East and South-East Asia having made significant reductions.[8]

12. Gender disparities in access to education, particularly upper secondary school, remain persistent in some regions. Despite impressive increases in the enrolment of girls and a reduction of the gender gap in primary enrolment, 28 million young and adolescent[9] girls remain out of school in sub-Saharan Africa.[10] On average, girls in the subregion attend school for nine years, and in some countries, as few as five years, compared with 17 years in North America and Western Europe. At the lower secondary level, Arab States, despite higher enrolment rates, have the largest gender gap: 9 per cent in 2012. South Asia has closed the gender gap to 1 per cent in 2012. The gender gap is larger among illiterate adults,[11] with two thirds of the world's 744.5 million illiterate adults being women and more than half of 102.1 million illiterate youth being female.

13. Technological innovation has a profound impact on inequality in many dimensions. New technologies can help overcome barriers that drive inequality of both opportunities and outcomes for some people. Despite progress, however, access to technologies remains uneven. The growth in technology investment has occurred predominantly in developed regions and certain developing countries. The rate of Internet use is 81 per cent in developed countries compared with only 15.2 per cent in the least developed countries. Substantial divides in Internet access persist between urban and rural areas and between men and women. In 2016, mobile-broadband networks (3G or above) reached only 67 per cent of the rural population compared with 84 per cent of the global population. The global gender gap among Internet users increased from 11 per cent in 2013 to 12 per cent in 2016. The gap is particularly wide in the least developed countries: 31 per cent.[12]

2. Inequality within countries

14. While income inequality among countries has decreased, overall inequality within countries, with regard to both income and non-income, has increased in many

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[7] Department of Economic and Social Affairs, *World Population Prospects: The 2017 Revision, Key Findings and Advance Tables* (New York, 2017).

[8] Food and Agriculture Organization of the United Nations, International Fund for Agricultural Development and World Food Programme, *The State of Food Insecurity in the World 2015: Meeting the 2015 International Hunger Targets — Taking Stock of Uneven Progress* (Rome, 2015).

[9] The United Nations, for statistical purposes, defines "youth" as persons 15-24 years of age and "adolescent" as those between the ages of 10 and 19.

[10] United Nations Educational, Scientific and Cultural Organization (UNESCO) Institute for Statistics, UNESCO eAtlas of Gender Inequality in Education.

[11] Adult literacy is defined as the proportion of the adult population aged 15 years and over who can, with understanding, both read and write a short simple statement related to his or her everyday life. Persons who do not meet these criteria are deemed illiterate. For more information, see www.un.org/esa/sustdev/natlinfo/indicators/methodology_sheets/education/adult_literacy.pdf.

[12] International Telecommunication Union, *ICT Facts and Figures 2016* (Geneva, 2016).

countries, with rising trends in most industrialized countries and mixed trends in emerging economies and developing countries. In some developing and emerging countries, in particular Latin American countries, income inequality has declined, even though levels remain high.[13]

15. In advanced economies, the gap between the rich and the poor has reached the highest level in decades. Recent data from OECD countries show that the richest 10 per cent of the population earn 9.6 times the income of the poorest 10 per cent. On average, the rise of income inequality between 1985 and 2005 knocked off approximately 4.7 per cent in cumulative growth across OECD countries between 1990 and 2010. This was driven mainly by the growing gap between lower-income households (the bottom 40 per cent) and the rest of the population. Also, a 1 per cent increase in the income share of the richest 20 per cent in any given year actually lowered GDP growth by 0.08 per cent in the following five years, while a similar increase in the income share of the bottom 20 per cent was associated with higher growth: 0.38 per cent.[14]

16. Countries with high income inequality tend to have wider gaps in education outcomes among people with different backgrounds. The majority of the world's 61 million out-of-school children of primary school age are from poor households in rural areas, and a majority of them are girls. It is estimated that 20 per cent of them dropped out of school, 39 per cent will start school later and 41 per cent will never attend school at all.[15] More than half of these children (30 million, of which 17 million are girls) live in sub-Saharan Africa.[16] Considering that the main pathway to escape poverty and reduce inequality is through education, reaching out to these children is critical.

17. There are also significant gaps in health outcomes within countries. Evidence from 80 countries from 1990 to 2011 shows little or no progress has been made in closing the gap in child stunting between wealthy and poor households.[17] In Latin America and the Caribbean, inequalities across gender, race and socioeconomic groups persist in every major health outcome, including reproductive, maternal and child health.[18] Access to health care for women of indigenous and African descent in the region has been hindered by discrimination, including patient blaming, neglect, verbal or physical abuse and disregard for traditional beliefs.[19] Such women also face inequality in access to clean water and adequate sanitation.

18. As the majority of youth, at the early stage of the life cycle, have little or no accumulated wealth or assets, they are particularly vulnerable to being trapped in poverty and inequality, especially when they experience extended periods of unemployment or underemployment. Recent stagnant growth, coupled with such factors as demographic changes, productivity growth, technological advances and

[13] *Poverty and Shared Prosperity 2016*.

[14] Era Dabla-Norris and others, "Causes and consequences of income inequality: a global perspective", International Monetary Fund staff discussion note (2015).

[15] United Nations Educational, Scientific and Cultural Organization (UNESCO) Institute for Statistics, UNESCO eAtlas of Out-of-School Children.

[16] United Nations Educational, Scientific and Cultural Organization Institute for Statistics, "Left behind: girls' education in Africa" interactive data tool.

[17] C. Bredenkamp and others, "Persistent inequalities in child undernutrition: evidence from 80 countries, from 1990 to today", *International Journal of Epidemiology*, vol. 43, issue 4, pp. 1328-1335 (2014).

[18] Francisco Becerra-Posada, "Health equity: the linchpin of sustainable development", *Pan American Journal of Public Health*, vol. 38, issue 1, pp. 5-8.

[19] Arachu Castro and others, "Assessing equitable care for Indigenous and Afrodescendant women in Latin America", *Pan American Journal of Public Health*, vol. 38, issue 2, pp. 96-109.

precarious jobs, have hampered the generation of sufficient jobs to absorb growing labour forces, posing major challenges to reducing inequality.

19. Older persons also grapple with inequality in various forms. Only a minority of the global population accumulates enough savings and assets to provide for its own economic security in old age. Income inequality is thus a reality poor older persons have to face. Pension coverage is highest (above 90 per cent) in Europe and North America, and lowest in sub-Saharan Africa (17 per cent).[20] In many countries, disparities exist among older persons based on where they live, as well as gender. For example, older rural residents are considerably less likely to receive a pension than are older urban residents, owing to rural labour markets in which jobs are typically informal and insecure. Coverage rates for contributory schemes are lower for older women than for older men, often significantly so (see A/69/180). This largely reflects women's lower levels of labour force participation and wages, their work in precarious or informal jobs, and often shorter and interrupted careers owing to their unpaid care responsibilities.

C. Strategies to address inequality in all its dimensions

20. No one-size-fits-all approach exists to combating inequality. Each country considers its own economic, social, cultural and political circumstances, as well as demographics, to develop comprehensive, integrated and coherent strategies that effectively address the various causes of inequality. Such strategies should consist of inclusive and equitable policies aimed at pursuing equity and growth objectives simultaneously, as these two objectives are complementary and not mutually exclusive.

21. Equity enhancing or redistribution policies can contribute to income growth for all segments of society, but with faster than average growth among the poorest 40 per cent of the population.[21] This could increase local demand and consumption, thereby boosting economic growth and long-term prosperity while breaking the vicious cycle of poverty and inequality. In emerging economies and developing countries, deepening financial inclusion is also an effective tool to buttress aggregate demand.

22. Investments in infrastructure, health, education and skills development should be a part of long-term strategies to achieve inclusive growth and reduce poverty and inequality. Such investment in human and social capital increases productivity, promotes social inclusion and creates decent work. There is growing evidence that countries with a higher tax rate and high social expenditures tend to have low inequality and high social cohesion. Governments need to make fiscal policy and tax systems more efficient, inclusive and equitable,[22] reduce tax evasion and identify innovative sources of financing to secure and maintain adequate levels of social expenditures that are necessary to expand coverage towards universal access to education, health care and other elements of social protection.

23. Social inclusion through productive employment and decent work is one of the main channels to reduce inequality and to increase the impact of growth on poverty eradication. To close urban-rural gaps, investing in farm and off-farm activities in rural areas is critical to promote food security, improve nutrition, and boost incomes and quality of life of rural households. Generating jobs, especially labour-intensive

[20] International Labour Organization, *World Social Protection Report 2014/15* (Geneva, 2014).

[21] Target 10.1 of the Sustainable Development Goals seeks to ensure that income growth among the poorest 40 per cent of the population in every country is more rapid than its national average.

[22] International Monetary Fund, "Tax policy for developing countries", *Economic Issues*, No. 27.

jobs in small and medium-sized enterprises, will support diversification of the rural economy and transform rural areas as a source of employment, thereby curbing rural-urban migration and inequality. Creating jobs in natural resources management will aid protection and rehabilitation of the environment and enhance local climate resilience.

24. The issue of vulnerable work — low-skill, low-productivity jobs in the informal sector with limited to no social protection — needs to be addressed, through facilitating the transition from informality to formality, strengthening the capacity of labour institutions, improving access to credit, harnessing technologies and creating incentives for innovation. Countries should promote vocational training and science, technology, engineering and mathematics education, strengthen the research-policy nexus and create investment opportunities to mitigate potential threats to job insecurity posed by technical innovation, including digitization and artificial intelligence. In advanced economies, universal basic income, where necessary, may be considered.

25. Institutional capacity is important for enhancing policy coherence and coordination among various ministries, conducting risk and vulnerability assessments, collecting high quality disaggregated data, mobilizing resources, promoting transparency and accountability, and combating corruption and illicit financial flows. International partnerships, including official development assistance, play a critical role in building the capacity of countries with the most constrained resources to ensure effective policy formulation and implementation.

26. Countries are increasing domestic resource mobilization for human capital investment, resilience enhancement and adaptation capacity-building. For example, in the Philippines, increased taxes on tobacco and alcohol (the Sin Tax Reform bill passed in 2012) enabled the expansion of health coverage to an additional 45 million people.[23] Similarly, a financial transaction tax, a small tax levied on financial instruments such as shares, bonds, foreign currency transactions, derivatives, and bank debits and credits to finance social protection expenditure, have been implemented in at least 40 developed and developing countries. Financial transaction taxes allowed Brazil to expand its social protection services and reduce inequality.[24]

27. The potential role of public-private partnerships can be further explored in such areas as improving access to essential services, promoting equity, increasing efficiency and effectiveness, promoting green growth and scaling up innovative initiatives. Nevertheless, foreign direct investment in infrastructure, particularly in the least developed countries, has not yet surged, owing to existing constraints, including insufficient legal and regulatory frameworks and a less attractive risk-reward ratio. Setting clear criteria for real impacts from social investments and reducing the risks of these investments are necessary. A promising example of the use of public-private partnerships is China's "One Belt, One Road" initiative, which is aimed at boosting economic growth and lifting 3 billion more people with low incomes into the middle class.[25]

28. Gender equality and women's empowerment have large impacts on achieving inclusive growth. Tackling gender-based discrimination, in particular closing gender

[23] World Health Organization, "'Sin Tax' expands health coverage in the Philippines" (May 2015), available from www.who.int/features/2015/ncd-philippines/en/.

[24] International Labour Organization, "Delivering social protection for all", Inter-Agency Task Force on Financing for Development issue brief (Geneva, October 2016).

[25] Economic Commission for Europe, "Promoting people first public-private partnerships (PPPs) for the UN SDGs", Inter-Agency Task Force on Financing for Development Issue Brief (Geneva, July 2016).

gaps in labour participation, boost GDP.[26] To achieve the full potential of women, further efforts are required to better link gender issues with inclusive growth policy, for example, by eliminating gender bias in taxation.

29. Science, technology and innovation are central to promoting equity and inclusivity. To close digital gaps, countries are encouraged to invest in research and development and support the adoption of key enabling information and communications technologies, while mitigating new risks posed by such technologies. Any existing barriers to quality access to such technologies should be reduced or removed. National strategies should promote technological diffusion, through institutional changes, knowledge sharing and partnership.

III. Issues before the Commission for Social Development at its fifty-fifth session

30. As the intergovernmental body responsible for the follow-up to the outcomes of the World Summit for Social Development and the twenty-fourth special session of the General Assembly, the Commission for Social Development, at its fifty-fifth session, reviewed progress in this regard in the context of the implementation of the 2030 Agenda.

A. Priority theme: strategies for eradicating poverty to achieve sustainable development for all

31. Along with their central pursuit of poverty eradication, Member States have resolved to end hunger, combat inequality and build just and inclusive societies. They have pledged to leave no one behind and reach the furthest behind first. Within every society, women, persons with disabilities, youth, older persons and indigenous people, among others, are often left behind by progress. At the international level, the groups of countries that are further behind include sub-Saharan Africa, the least developed countries and small island developing States. These groups have limited resources and productive capacity to overcome poverty.

1. Progress in poverty eradication

32. Most of the world's regions have made progress in eradicating extreme poverty. Based on a poverty line of $1.90 a day, 35 per cent of the world population lived in extreme poverty in 1990; that rate fell to 11 per cent in 2013. East Asia and the Pacific, where the rate decreased from 60 per cent in 1990 to 4 per cent in 2013, recorded the most significant progress, driven largely by China. Three regions succeeded in cutting their 1990 rates by at least two thirds by 2013: South Asia (from 45 per cent to 15 per cent), Latin America and the Caribbean (from 16 per cent to 5 per cent) and the Middle East and North Africa (from 6 per cent to 2 per cent). By contrast, sub-Saharan Africa experienced a slow pace of decline in extreme poverty: from 54 per cent in 1990 to 41 per cent in 2013.[27] The number of extremely poor people, although also declining, was still 767 million people in 2013. Between 2012 and 2013, the number decreased mainly in East Asia and the Pacific (by 71 million) and South Asia (by 37 million). By contrast, the number fell by only 4 million in sub-Saharan Africa, where 389 million people were still living on less than $1.90 a day in 2013.

[26] David Cuberes and Marc Teignier, "Gender gaps in the labor market and aggregate productivity", Sheffield Economic Research Paper (University of Sheffield, 2012).

[27] World Bank, World Bank Open Data. Available from http://data.worldbank.org.

33. Developed countries have recently recorded an increase in relative poverty (household income below 60 per cent of the national median income), especially in the European Union, where the relative poverty rate increased to 17.2 per cent in 2014 after a long period of stability at 16.5 per cent up to 2008.[28] In developed countries, an estimated 300 million people were living in relative poverty in 2012.

34. Children and women are most affected by poverty. In developing countries, more than half of all children under the age of 15 live in extreme or moderate poverty. In high-income countries, 20 per cent of children under the age of 18 live in poverty, although with wide variations among countries: from 10 per cent in Denmark, Iceland and Norway to 33 per cent in Israel and Romania.[29]

2. Strategies for eradicating poverty

35. Rapid economic growth over extended periods of time has proven to be the main factor in reducing absolute poverty. Such growth provides the resources needed for increased public investment in critical areas such as education, health, infrastructure and social protection. Economic growth alone, however, is not sufficient to eradicate poverty unless it is accompanied by strategies that ensure that the benefits of growth are widely and equitably shared. People living in poverty should be able to contribute to and benefit from growth that creates decent jobs and raises incomes. For growth to be more inclusive, it must generate decent jobs in the sectors in which people living in poverty are often engaged in, such as agriculture and labour-intensive manufacturing.

36. Poor workers are usually trapped in precarious low-skilled, low-income and low-productivity jobs. They are also more likely to be engaged in agriculture and rural economic activities, and be employed in the informal economy. Therefore, policies that enhance skills, promote labour-intensive and higher-productivity sectors, and formalize the informal economy are vital for increasing the productivity and labour market participation of poor workers, thereby raising their income. Labour-market and social policies that improve the quality of jobs can help lower poverty. These policies, which include minimum wages, labour regulations and social security provisions, help to improve wages and working conditions, as well as job security.

37. Investment in education and health is a proven strategy for poverty eradication that also contributes to a reduction in inequality. Poverty eradication requires that children and youth acquire the education and skills necessary for a better future. Investments in education should also include social infrastructure such as hygienic, gender-separated sanitation facilities and well-trained teachers that can provide good quality education to all, particularly to poor, female children and youth. Investing in health also has a great impact on poverty reduction. For instance, HIV/AIDS and malaria treatments prevent lost productivity or lost income associated with illness or death.

38. In rural areas, in addition to rural development policies, including redistributive land policies and improved access to formal credit markets, increasing agricultural productivity through both public and private investment in mechanization, extension services and the use of fertilizers is vital to reducing poverty. Furthermore, structural transformation policies that facilitate public-private partnerships and foreign direct investment to expand employment opportunities in

[28] International Labour Organization, *World Employment Social Outlook: Trends 2016* (Geneva, International Labour Office, 2016).

[29] United Nations Children's Fund Office of Research, *Building the Future: Children and the Sustainable Development Goals in Rich Countries*, Innocenti Report Card 14 (Florence, Italy, 2017).

high-productivity manufacturing and service sectors to shift labour out of traditional agriculture are vital to alleviating poverty.

39. Social protection policies and programmes are essential for eradicating poverty and reducing vulnerability by diminishing people's exposure to risks, enhancing their capacities and resilience, promoting their participation in the labour market and increasing the opportunities available to them. Social transfers, including conditional cash transfers, have been very influential in reducing poverty in several regions of the world, delivering much faster results than economic growth. To be effective, though, social protection benefits must reach the poor and vulnerable.

40. Recently, countries have committed to providing fiscally sustainable and nationally appropriate social protection systems and measures for all, including social protection floors, with a focus on the poorest. Similarly, the idea of a universal basic income, which supports a living wage and not a minimum wage, is starting to be explored and experimented with by policymakers in some countries.

B. The special needs of Africa and the least developed countries

1. Africa: progress and challenges in economic and social development

41. At the global level, the 2030 Agenda for Sustainable Development reaffirmed the commitment of the international community to supporting the special needs of Africa, as reflected in the Agenda 2063: The Africa We Want and the New Partnership for Africa's Development. These regional and international development frameworks all aim for an integrated, prosperous and peaceful Africa.

42. Africa has made notable progress in economic growth, although the rate of growth has slowed. Likewise, Africa has made strides in social development, but there are still too many people who are extremely poor, undernourished, unemployed and not in school. High levels of morbidity and mortality also persist. Moreover, Africa is experiencing rising income inequality and youth unemployment, both of which can be threats to peace and security, especially in fragile States. Intensified efforts are required to address all these special needs of Africa.

43. Extreme poverty has decreased in Africa, but slowly. Consequently, 39 per cent of its population was still living on less than $1.90 a day in 2013.[30] Owing to the slow poverty decline, combined with rapid population growth, the number of people living in extreme poverty in sub-Saharan Africa increased until 2010 but has decreased since then. Nevertheless, in 2013, the subregion was home to half of the world's extremely poor population: 389 million people.

44. Africa's strong economic growth — GDP growing at above 5 per cent annually between 2001 and 2014 — supported its progress in poverty reduction. The growth has not, however, generated sufficient jobs, owing to the enclave nature of the resource-intensive sectors involved, and the fact that these sectors tend to benefit only the richest.[31] Consequently, Africa's high economic growth has very often exacerbated inequality and in some cases worsened poverty. Moreover, the economy of the region has slowed and is estimated to have grown by only 1.7 per cent annually in 2016 as a result of the effect of low commodity prices on resource

[30] *Poverty and Shared Prosperity 2016*.

[31] African Development Bank Group, Organization for Economic Cooperation and Development (OECD) and United Nations Development Programme, *African Economic Outlook 2016: Sustainable Cities and Structural Transformation* (Paris, OECD Publishing, 2016).

exporters.[32] This backdrop of weak growth puts additional challenges on maintaining previously hard-won progress on poverty reduction.

45. Africa's high levels of poverty exist alongside high and deepening levels of inequality in some countries. Six of the nine most unequal countries in the world are African,[33] and the continent is the second most unequal region in the world. To significantly reduce poverty levels, inclusive growth is necessary and high economic growth accompanied by a significant decrease in inequality must be ensured to maximize the impact of growth on poverty. Moreover, income-related and gender-related inequality have been shown to impede economic growth in Africa, especially in low-income countries.

46. Africa has reduced hunger, as attested to by the proportion of undernourished people, which fell from 28 per cent to 20 per cent between 1990-1992 and 2014-2016.[34] Within the region, the proportion declined substantially in sub-Saharan Africa, from 33 per cent to 19 per cent. Despite these falling rates, the number of undernourished people increased from 182 million to 233 million in Africa, with sub-Saharan Africa accounting for the majority (87.2 per cent) of the increase. Nevertheless, some regions, such as Western Asia, have been able to decrease the number of undernourished people.

47. Africa has the world's fastest-growing labour force; 60 per cent of its population was younger than 25 in 2015.[35] Unemployment, underemployment and informality remain its key challenges. Overall, the unemployment rate decreased after 2010 but is expected to remain unchanged at 8 per cent in 2016 and 2017, which translates into an additional 1.2 million unemployed people. High youth and female unemployment levels are of particular political and socioeconomic concern. In North Africa, the labour force participation rate was the lowest in the world: 48.2 per cent in 2015.[36] Unemployment was more than three times higher among youth than among adults, and youth unemployment was the highest in the world: 30 per cent in 2015. Unemployment among females is twice as high as unemployment among males, with an expected rate of 20 per cent in 2017.[37]

48. Although the average unemployment rate was low in sub-Saharan Africa (7 per cent in 2016), it masked great disparities between countries, with South Africa exhibiting the highest rate: more than 26 per cent.[38] In this subregion, the main labour market challenge resides in the poor quality of employment, especially among youth and women. For instance, 70 per cent of working youth were poor in 2016.

49. In terms of education, enrolment in primary school has experienced steady progress in Africa. North Africa has almost achieved universal primary education and sub-Saharan Africa has been able to increase its net enrolment rate from 58 per cent in 1999 to 77 per cent in 2014, resulting in a reduction in the number of out-of-school children from 45 million to 34 million over the same period, despite growth in the primary school-age population.[39] By increasing its net enrolment rate in

[32] *World Economic Situation and Prospects 2017* (United Nations publication, Sales No. E.17.II.C.2).

[33] According to the World Bank world development indicators (distribution of income or consumption). Available from http://wdi.worldbank.org/table/1.3.

[34] *The State of Food Insecurity in the World 2015*.

[35] Department of Economic and Social Affairs, *World Population Prospects: The 2015 Revision, Key Findings and Advance Tables* (New York, 2015).

[36] *World Employment Social Outlook: Trends 2016*.

[37] *Economic Outlook 2016: Sustainable Cities and Structural Transformation*.

[38] Ibid.

[39] United Nations Educational, Scientific and Cultural Organization Institute for Statistics, UIS-Stat database, data and indicators on education. Available from http://data.uis.unesco.org.

secondary education from 20 per cent to 33 per cent, sub-Saharan Africa has also achieved the greatest gains in secondary education participation over the same period.

50. Notwithstanding these remarkable efforts and progress, completion rates and quality of education remain challenges requiring a special focus, owing to a lack of physical and social infrastructure. One third of children who begin the first grade do not reach the last grade of primary education[40] and many students are not acquiring basic skills in reading and mathematics.

51. Over the years, a steady rise in immunization coverage and the availability of vaccines and therapies has improved health and survival in Africa.[41] Sub-Saharan Africa still faces major challenges, however. In 2015, it accounted for more than half of maternal deaths and 92 per cent of malaria deaths worldwide. A high proportion of its newborns died in the first month: around 30 per 1,000 births.

52. For all the above indicators, wide gaps between the rich and poor, males and females, educated and non-educated people, and urban and rural areas persist within countries.

2. Special needs of the least developed countries

53. The least developed countries face challenges in achieving economic and social development objectives. To generate the resources needed for structural transformation and the building of productive capacities, as well as to sustain progress in achieving the Sustainable Development Goals, particularly ending poverty and hunger, these countries need strong economic growth. Economic growth has slowed since 2012, however, to a rate of 3.6 per cent per annum in 2015, far below the target of at least 7 per cent per annum recommended by the 2011 Programme of Action for the Least Developed Countries for the Decade 2011-2020. The sharp decline in commodity prices, which has particularly affected commodity-exporting African least developed countries, is the main reason behind this poor performance.[42]

54. In terms of social indicators, poverty has steadily declined but remains high and most pervasive in the least developed countries, with 51 per cent of their total population — around 400 million people — still living in extreme poverty in 2016.[43] Similarly, the prevalence of undernourishment has decreased, but slowly. One in four people in the least developed countries remained undernourished in 2015,[44] and the number of undernourished people has increased in African least developed countries since 1990.[45] Inclusive growth and social protection are necessary to end poverty and hunger in this group of countries, especially for those whose livelihoods depend on agriculture. Social protection also improves access to better nutrition, education and health care.

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[40] Economic Commission for Africa, African Union, African Development Bank Group and United Nations Development Programme, *MDG Report 2015: Lessons Learned in Implementing the MDGs — Assessing Progress in Africa toward the Millennium Development Goals* (Addis Ababa, 2015).

[41] World Health Organization (WHO), *The Health of the People: What Works — The African Regional Health Report 2014* (Brazzaville, WHO Regional Office for Africa, 2014).

[42] *The Least Developed Countries Report 2016: The Path to Graduation and Beyond — Making the Most of the Process* (United Nations publication, Sales No. E.16.II.D.9).

[43] Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, *State of the Least Developed Countries 2016* (2016).

[44] World Bank, World Bank Open Data. Available from http://data.worldbank.org.

[45] *The State of Food Insecurity in the World 2015*.

55. Unemployment has remained low in the least developed countries, with a rate of between 5 per cent and 6 per cent since the 1990s. Underemployment is prevalent, however, with 40 per cent of workers working less than 35 hours a week in 2016. Furthermore, most workers are engaged in informal employment, with only 6 per cent of all workers being covered by labour laws and social protection through written contracts. Youth unemployment is also a great challenge in this group of countries, with a rate that is twice as high as the adult unemployment rate. Moreover, in many countries, over half of youth are in informal employment. In addition, young people face considerable difficulty in finding decent and secure employment, partly because of a mismatch between skills and labour market needs. As a remedy to the latter situation, it is crucial to ensure that the educational system generates knowledge and skills that correspond to the ones demanded by employers by raising the quality of education and promoting dual vocational training systems which provide work-based learning and apprenticeships and integrate theory and practice through cooperation between schools and employers in skills development.[46]

56. Primary education has seen great progress in the least developed countries. The net enrolment rate in primary education rose from 56 per cent in 1995 to 82 per cent in 2014.[47] Nevertheless, primary education completion rates and quality need to be enhanced. For instance, the pupil-to-teacher ratio in primary education in the least developed countries is almost double the world average.[48] Also, enrolment rates at the secondary and tertiary levels need to increase; by 2014, the net enrolment rate in secondary education stood at only 35 per cent.[49] Finally, gender and socioeconomic disparities need to be narrowed. Increased financial resources allocated to education that have allowed the implementation of policies such as free primary education, school-feeding programmes, construction of new classrooms and the setting up of community schools have helped improve enrolment in primary education.

57. The least developed countries have also made great improvements in child survival. Between 1995 and 2015, the infant mortality rate was halved (from 99 per 1,000 births to 51 per 1,000 births) and mortality for children under the age of 5 years decreased even faster (from 176 per 1,000 births to 73 per 1,000 births).[50] Policies that provide high-impact, cost-effective health and nutrition interventions can help reduce most preventable child deaths. These interventions include giving families and communities access to essential skills and basic health knowledge, such as proper feeding practices and hygiene.

C. Implementation of programmes related to social groups

58. As part of its programme of work, the Commission also reviewed the implementation of programmes related to social groups.

59. The role of families in the promotion of human development has been widely recognized at the national and international levels. Policies and programmes aimed at promoting the well-being of families undoubtedly contribute to the achievement of several Sustainable Development Goals. The failure to incorporate family

[46] United Nations Educational, Scientific and Cultural Organization Institute for Statistics, UIS-Stat database.
[47] Ibid.
[48] *The Least Developed Countries Report 2016*.
[49] *State of the Least Developed Countries 2016*.
[50] *The Least Developed Countries Report 2016*.

policies into overall social development frameworks may result in greater inequalities.

60. Cash transfers for vulnerable households have been credited with overall poverty reduction and breaking the cycle of the intergenerational transfer of poverty. Investments in work-family balance and early childhood education have created better conditions for working parents, which have also contributed to better outcomes for children and youth. There is also a growing recognition that care responsibilities should be shared by families, the state, the market and civil society, with a goal of promoting the overall well-being of individuals, families, communities and societies. Recent exchanges of good practices in family policy also point to the fact that it is equally important to promote integrated, multigenerational approaches to social protection that are also sensitive to care responsibilities.

61. Member States emphasized the importance of supporting the well-being and the rights of older persons, who are among the groups left behind. While older persons are living longer, many have poor standards of living and are either living in or at risk of poverty. Many Governments have focused on extending and deepening social protection systems with a view to promoting poverty reduction and improved well-being among older persons, particularly through contributory and non-contributory pensions. Pension benefit levels, however, are not always adequate to enable older persons to live above the poverty line and with dignity. Health status and access to affordable health care, as well as the availability of affordable care, are factors that influence poverty in old age. Older women are also at much greater risk of poverty than older men.

62. The implementation of the 2030 Agenda for, and with, youth is a present and forthcoming priority for many Member States, in conjunction with the achievement of other development frameworks, including the World Programme of Action for Youth, in an integrated manner. To undertake the aforementioned responsibilities, Member States continue to tackle challenges of youth unemployment and underemployment, including by numerous types of entrepreneurship policies and programmes, the promotion of green jobs and industries, and targeted employment schemes.

63. The issues of quality education and decent work for the social inclusion of young people remain important worldwide. Member States have undertaken relevant measures, including providing vocational skills training, developing and implementing targeted initiatives to address the situation of marginalized youth, increasing the availability of student funding and prioritizing technology education and programmes to address the gender gap in education.

64. In the area of disability, efforts and progress have been made to promote the economic, civil and political participation of persons with disabilities at the national level. Returns on investment in the education of persons with disabilities are estimated to be two to three times higher than those for persons without disabilities. Children with disabilities should, to the extent possible, attend regular schools because putting them in special schools increases the cost of education by up to three times while also reinforcing segregation-based disability. Several countries explicitly mention persons with disabilities in employment policies and programmes and include them in public procurement policies, public employment programmes and other public works programmes. Several other countries have adopted employment quota systems. A combination of non-contributory and contributory social transfers are provided to persons with disabilities in developed countries and Latin America, while only contributory-based social insurance benefits provided to those engaged in formal employment exist in the majority of developing countries.

65. The year 2017 marks the tenth anniversary of the United Nations Declaration on the Rights of Indigenous Peoples. Over the past decade, there has been major progress in implementing the Declaration, including through constitutional and legislative measures at the national level to recognize the rights and identity of indigenous peoples. Nevertheless, there continues to be a gap between the formal recognition of indigenous peoples and the implementation of policies on the ground. Thus, indigenous peoples continue to face exclusion, marginalization and major challenges in enjoying their basic rights. Indigenous peoples make up around 5 per cent of the world's population, but 15 per cent of the poorest. In the light of these realities, the 2030 Agenda, with its promise to "leave no one behind," can be of crucial importance to indigenous peoples and their rights. At the same time, indigenous peoples and their traditional knowledge have much to contribute to the achievement of the Sustainable Development Goals.

D. Emerging issue: promoting integrated policies for poverty eradication: youth development in the 2030 Agenda

66. There were 1.2 billion youth (people aged 15-24 years) globally in 2015, accounting for one out of every six people worldwide. By 2030, the number of youth is projected to have grown by 7 per cent, to nearly 1.3 billion. While youth populations have stabilized in most regions, it is projected that the number of youth in Africa will have increased by 42 per cent by 2030, from 226 million in 2015, and is expected to continue to grow throughout the remainder of the twenty-first century, more than doubling from current levels by 2055. In contrast, in Asia, home to the largest youth population in the world, the number of young people is expected to decline in the coming years.

67. Among the greatest challenges facing many countries today are inadequate human capital investment and high unemployment rates among youth. Young people are not acquiring the education and skills needed to contribute in a productive economy, and they lack access to labour markets that can provide decent work for all. In particular, sub-Saharan Africa, the region facing a youth bulge, is anticipated to face significant challenges to ensuring universal high quality education, productive employment and decent work for all young people. Youth development is therefore a key driver of poverty eradication around the world.

68. Against this background, key aspects of youth development addressed in the World Programme of Action for Youth and the 2030 Agenda for Sustainable Development, such as decent work for all, gender equality and the empowerment of girls and young women, and inclusion of marginalized youth through targeted youth policy measures, were examined and discussed.

69. Member States continue to use the World Programme of Action for Youth in the development of national youth policies, including youth employment policies. While the effective formulation, implementation and monitoring of youth policies play a critical role in poverty eradication and the achievement of the Sustainable Development Goals, youth policies are often being implemented in isolation without appropriate financing. More robust, innovative and progressive youth policies must be developed and implemented in coordination with other sectoral policies that have an impact on youth.

70. Member States echoed their support for youth partnerships in the implementation, monitoring and evaluation of the 2030 Agenda. The participation of young people in policymaking processes, particularly social policies, was identified as key to eradicating poverty. Investing in sustainable youth participation mechanisms at all levels is therefore critical.

71. Youth policies should include measures to analyse and remove structural barriers to their participation, so that all youth, particularly the most vulnerable and disadvantaged youth, can break an intergenerational cycle of poverty. Barriers faced by girls and young women need to be addressed, since such barriers as exclusion and lack of or limited access to quality education and employment can increase their chances of being trapped in poverty. Adequate budgets should be allocated to support gender-specific policies and measures towards gender equality and women's empowerment, while promoting gender-responsive budgeting to mainstream gender perspectives in all other gender-neutral policies.

72. Youth are often disproportionately affected by unemployment, underemployment, vulnerable employment and working poverty. It is vital for youth to access productive employment and decent work that are sufficiently remunerated and provide access to social protection and rights at work. Decent work facilitates the social inclusion of young people, improves their health and enhances their dignity, participation and their engagement towards the achievement of the Sustainable Development Goals.

73. Inclusive and quality education and lifelong learning opportunities for all remain important to combat the exclusion of youth from the educational system and changing labour markets as a result of technological advances. Such education, in addition to basic skills, is essential for youth to obtain important livelihood skills to support the transition from school to work.

74. Indigenous youth, youth with disabilities, youth living in rural areas and young migrants may be at greater risk of poverty, marginalization and social exclusion, which hinder their ability to meaningfully participate in social, economic, cultural and political life, and can result in a lifelong propensity to experience poverty. Integrated youth policies need to: address the specific needs of marginalized youth; identify the conditions that lead to vulnerability, poverty and social exclusion; increase the visibility of marginalized youth; reduce inequality; and provide the tools and skills necessarily to access decent employment.

IV. Conclusion and recommendations

75. The eradication of poverty is a major goal of the Copenhagen Declaration on Social Development and the Programme of Action of the World Summit For Social Development, and the 2030 Agenda for Sustainable Development. While tremendous progress has been made in reducing poverty worldwide, millions of people remain trapped in extreme poverty and there are significant disparities in many social and economic dimensions between and within countries. High and rising rates of inequality negatively affect economic growth and hamper current progress in eradicating poverty. Member States and the international community must enhance their efforts to eradicate poverty while tackling the multiple dimensions of inequality. In this regard, the Commission for Social Development, given its mandates and experience in promoting people-centred inclusive development, has an important role to play in contributing to the effective implementation of the 2030 Agenda in a holistic and inclusive manner.

76. In order to accelerate progress towards the implementation of the outcome of the World Summit for Social Development and the 2030 Agenda for Sustainable Development, the General Assembly may wish to consider the following recommendations:

(a) **Member States should develop comprehensive, integrated and coherent strategies that effectively address the structural causes of poverty and**

inequality by pursuing equity and growth objectives simultaneously in their national contexts. Such strategies should promote inclusion and equity to sustain income growth for all, with an emphasis on job-rich growth;

(b) Member States need to strengthen universal social policies, paying particular attention to the specific challenges of disadvantaged social groups to ensure that these groups, especially women, children, persons with disabilities, youth, older persons, indigenous people and other persons in vulnerable situations, are not left behind. Reducing gender disparities, specifically in education, health, well-being and labour participation, is essential;

(c) Investment in human capital and social protection is proven effective in reducing poverty and inequality. Member States may consider making fiscal policies and tax systems more inclusive and equitable, while mobilizing innovative sources of financing, including through public-private partnerships, to secure adequate levels of social expenditure necessary for expanding coverage towards universal access to health, education, innovation and new technologies and basic social protection;

(d) To close urban-rural gaps, Member States should pursue social and economic policies to support the creation of farm and off-farm jobs, especially labour-intensive and higher-productivity jobs in micro-, small and medium-sized enterprises. Redistributive land policies and improved access to formal credit markets through greater financial inclusion, as well as structural transformation policies that help shift labour to high-productivity manufacturing and services sectors, may be considered by Member States within their national contexts;

(e) The international community should support national commitments to eradicate poverty in all its forms to ensure that no one is left behind. Particularly, greater international cooperation to further reduce inequality between countries and increase capacity-building support to countries with the most constrained resources to ensure that social expenditures meet certain targets should be promoted.